

Sen. Anderson testimony before Senate Finance Committee. 5/8/13

Good afternoon Mr. Chairman and committee members.

I'd first like to say thank you for having a hearing on Senate Bill 104. This bill will be very helpful to our disabled veterans and I'm sure they also thank you.

I have introduced this bill every session since 2007 and wish to express my appreciation to the chair for working with me since last session to make sure it receives a proper committee hearing and starts moving through the process to make a difference for these veterans.

Veterans have sacrificed so much and these disabled veterans have given even more. Because of their injuries while serving, they are unable to re-enter the workforce. This bill would at least lessen the fear of losing their home due to the burden of property taxes. For some, this could mean the difference between having a home and being homeless.

This bill would allow local taxing units (*cities, villages, townships, school districts, etc.*) to exempt veterans who are 100% disabled and whose taxable income was below 200% of the federal poverty rate (*\$22,980 for an individual*) from paying property taxes to that local taxing unit.

It is important to allow the locals to decide whether or not this happens and it is important that a taxing authority can only exempt individuals from taxes that they levy. Each local taxing authority will have to make the decision. This bill is permissive. My belief is that most of our locals will take this opportunity to extend their appreciation to our disabled veterans and decide to take advantage of this.

The bill before you is the one Senate Fiscal provided an analysis for, but before you vote, I will be providing a S-2, which will fine tune the bill further based on suggestions from Military & Veterans affairs and others. We didn't get the sub in time until after 4 yesterday due to some final changes. Those are:

1. Limiting the eligible property to principle residence.

2. Limits the exemption to 100% disabled veteran as determined by the Veteran's Administration.
  3. Clarifies language on discharge qualifications to read "honorably discharged or general discharged – under honorable conditions" to be consistent with terminology already in use.
- Senate Fiscal Agency estimates that 8,000 of Michigan's Disabled Veterans are 100% Disabled and would qualify for the exemption established through this legislation.
  - If every veteran was granted the exemption this would reduce revenue to locals by approximately \$2 million dollars. *David Zin of Senate Fiscal is here if there are any questions.*